

Short Term Forecast Overview 2013-2014

Total employment for the State of Tennessee is projected to be 3,111,190 for 2014, resulting in an average annual growth rate of 1.2% for 2013 and 2014. Uncertainties with the Federal debt ceiling could dampen growth toward the end of the year. The United States Treasury is taking measures to avoid default which are expected to last until at least September, but possibly as late as November.¹ The 2013 increase in payroll taxes is also expected to cause some sluggishness in consumer spending, weighing down our total employment forecast for the State of Tennessee. The State of Tennessee has not yet taken advantage of the further expansion in Medicaid funding from the Federal government's Affordable Care Act², which could test the growth of the healthcare industry. While there are some economic challenges, the overall industry growth outlook for Tennessee remains positive. The projected positive growth in employment is buoyed by a strong outlook in leisure/hospitality with expected annual average growth of +2.1% in 2013 and 2014, manufacturing +2.1% (primary metal and transportation equipment manufacturing), and in professional/business services +2.0%. Some headwinds in certain manufacturing sectors (food, grain, bakeries, textile mills, apparel: -2.4%) and (wood products, paper, printing: -.50%) as well as information (publishing, newspapers, broadcasting, cable programming: -.90%)(average annual decline 2013, 2014) are restraining growth in total employment. Total employment for Tennessee includes agricultural and nonagricultural employment as well as private household and self-employed workers.

Selected Industries:

Healthcare

The Healthcare sector is showing strong projected annual growth in the State of Tennessee. Ambulatory healthcare services are projected to grow at an average annual growth rate of 3.6% for 2013 and 2014, hospital services are expected to grow .50% and nursing and residential care is expected to grow at 3.0% over the same period. The sharp increase in the demand for medical services by the aging Baby Boomer generation has been a major factor in the sector's growth³ and we expect this trend to continue for an extended period of time.

¹ Bipartisan Policy Center, The House Republican Debt Limit Proposal, Explained. <http://bipartisanpolicy.org/blog/2013/01/key-takeaways-house-republican-debt-limit-proposal-hr-325> (January 23, 2013).

² Tom Wilemon, *TN, KY are miles apart on Medicaid*. <http://www.wbir.com/news/article/281301/2/TN-KY-are-miles-apart-on-Medicaid> (July 21, 2013).

³ Christopher Blydenburg, *Increase in Healthcare Demands Due to the Aging Baby Boomers*. <http://voices.yahoo.com/increase-healthcare-demands-due-aging-baby-11832625.html?cat=5> (October 29, 2012)

Accommodation and Food Services

The Accommodation and Food Services sector is also growing in Tennessee. The Food Services/Drinking Places industry is projected to grow at an average annual rate of 2.2% (2013-2014) and the Accommodation industry is projected to grow 1.9% over the same period. Growth in the Accommodation/Food Services sector is aided by a projected nominal personal income growth of 4.1% in 2013 and 4.5% in 2014 (seasonally adjusted; data from the Center for Business and Economic Research, University of Tennessee).⁴

Professional, Scientific and Technical Services

The Professional, Scientific and Technical Services industry is projected to grow at an annual average growth rate of 2.2% in 2013 and 2014. This sector continues to benefit from the recovery of the Great Recession; as GDP grows, the need for educated professionals also grows. Economists expect GDP to grow around 2% in 2013 and over 3% in 2014. Tennessee is currently experiencing a manufacturing resurgence- especially in the auto industry. Domestic companies are more reluctant to offshore manufacturing due to the potentially compromised intellectual rights and rising labor costs in Asia and other developing countries. Advanced manufacturing techniques are allowing Tennessee manufacturers to become more competitive and there is a growing demand for skilled technical labor to design and implement these techniques.⁵ Additional industries that are growing are computer systems design and related services, 6 % and electrical equipment and appliance manufacturing, .70%.

The top three industry sectors adding the most jobs in 2013 and 2014 are professional and business services: 13,900; Leisure and Hospitality: 11,940; Trade, Transportation and Utilities: 11,050.

Occupational Outlook

Major occupational groups:

The top growth performers in the major occupational groups are predominantly within the service sector. While some manufacturing jobs are rebounding, the sector still has a long way to go to reach the levels seen twenty years ago. Healthcare Support Occupations (+2.4%), Community and Social Service Occupations (+2.4%) and Personal Care and Service Occupations (+2.0%) are projected to be the top three occupational groups in terms of average annual growth (2013 and 2014). The occupational groups with the lowest growth rates are Protective Service Occupations (+.13), Legal Occupations (+.20%) and Farming, Fishery and Forestry Occupations (+.30%)

⁴ Economic Report to the Governor of the State of Tennessee. <http://cber.utk.edu/tefslist.htm> (February 06, 2013)

⁵ Economic Report to the Governor of the State of Tennessee. <http://cber.utk.edu/tefslist.htm> (February 06, 2013)

The occupational groups with the most jobs added are Office and Administrative Support Occupations: 9,530, Food Preparation and Serving Related Occupations: 9,420, and Healthcare Practitioners and Technical Services: 7,200.

Occupations:

Top 15 % growth occupations for 2013 and 2014. (Associate's degree or higher, minimum 500 base employment)

<u>Occupation</u>	<u>% change</u>	<u>Education required</u>
Occupational Therapy Assistants	8.5	Associate's degree
Vocational Education Teachers, Postsecondary	8.2	Bachelor's degree
Residential Advisors	8.2	Some college, no degree
Dental Hygienists	7.9	Associate's degree
Meeting, Convention, and Event Planners	7.8	Bachelor's degree
Physical Therapist Assistants	7.3	Associate's degree
Mental Health and Substance Abuse Social Workers	6.9	Bachelor's degree
Directors, Religious Activities and Education	6.9	Bachelor's degree
Dental Assistants	6.9	Postsecondary non-degree award
Clergy	6.8	Bachelor's degree
Heating, Air Conditioning, and Refrigeration Mechanics and Installers	6.7	Postsecondary non-degree award
Occupational Therapists	6.6	Master's degree
Medical Scientists, Except Epidemiologists	6.3	Doctoral or professional degree
Physical Therapists	6.3	Doctoral or professional degree
Diagnostic Medical Sonographers	6.2	Associate's degree

Top 15 % growth occupations for 2013 and 2014. (less than Associates degree required, minimum 500 base employment)

<u>Occupation</u>	<u>% change</u>	<u>Education required</u>
Computer-Controlled Machine Tool Operators, Metal and Plastic	10.4	High school diploma or equivalent
Psychiatric Aides	9.1	High school diploma or equivalent
Extruding and Drawing Machine Setters, Operators, and Tenders, Metal and Plastic	8.6	High school diploma or equivalent
Glaziers	8.2	High school diploma or equivalent
Painters, Transportation Equipment	8.1	High school diploma or equivalent
Self-Enrichment Education Teachers	8.1	High school diploma or equivalent
Engine and Other Machine Assemblers	8.0	High school diploma or equivalent
Team Assemblers	7.8	High school diploma or equivalent
Food Servers, Nonrestaurant	7.7	Less than high school
Tax Preparers	7.5	High school diploma or equivalent
Personal Care Aides	7.5	Less than high school
Multiple Machine Tool Setters, Operators, and Tenders, Metal and Plastic	7.2	High school diploma or equivalent
Helpers--Pipefitters, Plumbers, Pipefitters, and Steamfitters	7.1	High school diploma or equivalent
Physical Therapist Aides	7.1	High school diploma or equivalent
Electrical and Electronic Equipment Assemblers	7.1	High school diploma or equivalent

Top Projected Declining occupations (2013 and 2014 average annual % decline) (base employment of 500 or more jobs):

<u>Occupation</u>	<u>% change</u>	<u>Education required</u>
Textile Bleaching and Dyeing Machine Operators and Tenders	-19.6	High school diploma or equivalent
Sewing Machine Operators	-17.0	Less than high school
Door-to-Door Sales Workers, News and Street Vendors, and Related Workers	-11.1	High school diploma or equivalent
Textile Winding, Twisting, and Drawing Out Machine Setters, Operators, and Tenders	-8.7	High school diploma or equivalent
Travel Agents	-8.0	High school diploma or equivalent
Print Binding and Finishing Workers	-6.7	High school diploma or equivalent
Electronics Engineers, Except Computer	-6.1	Bachelor's degree
Pressers, Textile, Garment, and Related Materials	-5.6	Less than high school
Woodworking Machine Setters, Operators, and Tenders, Except Sawing	-5.5	High school diploma or equivalent
Upholsterers	-5.4	High school diploma or equivalent

The textile industry has seen a steep decline in growth since the 1990's due to competitive pressures resulting from the North American Free Trade Agreement (NAFTA) and other changes in trade practices.⁶ Many domestic textile manufacturers simply could not compete against textile companies in India, where workers were paid \$50 per month (some workers now make \$60-\$120 per month)⁷. Due to the competitive disadvantage domestic textile companies face, it is not surprising that many of the declining occupations are textile-related.

Most Job Openings (Annual: 2013, 2014), Associate's degree or higher

<u>Occupation</u>	<u>TotAnnualOpenings</u>	<u>Education required</u>
Registered Nurses	2030	Associate's degree
Elementary School Teachers, Except Special Education	1100	Bachelor's degree
Licensed Practical and Licensed Vocational Nurses	1030	Postsecondary non-degree award
Accountants and Auditors	940	Bachelor's degree
Nursing Aides, Orderlies, and Attendants	870	Postsecondary non-degree award
General and Operations Managers	870	Associate's degree
Chief Executives	700	Bachelor's degree
Secondary School Teachers, Except Special and Career/Technical Education	640	Bachelor's degree
Clergy	580	Bachelor's degree
Middle School Teachers, Except Special and Career/Technical Education	480	Bachelor's degree
Preschool Teachers, Except Special Education	450	Associate's degree
Computer Support Specialists	400	Some college, no degree
Emergency Medical Technicians and Paramedics	340	Postsecondary non-degree award
Hairdressers, Hairstylists, and Cosmetologists	330	Postsecondary non-degree award
Computer Systems Analysts	330	Bachelor's degree

⁶ Scott Bishopric, *The Decline of the North Carolina Textile Industry*.
<http://www.yourvox.org/news/ViewArticle.php?id=64> (November 07, 2010)

⁷ Dilip Kumar Jha, *Declining Orders Hit Textile Industry*. http://www.business-standard.com/article/companies/declining-orders-hit-textile-industry-111072000097_1.html (July 20,2011).

Most Job Openings (Annual: 2013, 2014), less than an Associate's Degree Required

<u>Occupation</u>	<u>TotAnnualOpenings</u>	<u>Education required</u>
Cashiers	4530	Less than high school
Combined Food Preparation and Serving Workers, Including Fast Food	3480	Less than high school
Team Assemblers	2490	High school diploma or equivalent
Office Clerks, General	2140	High school diploma or equivalent
Heavy and Tractor-Trailer Truck Drivers	1730	High school diploma or equivalent
Childcare Workers	1520	High school diploma or equivalent
Stock Clerks and Order Fillers	1400	Less than high school
First-Line Supervisors of Office and Administrative Support Workers	1300	High school diploma or equivalent
Janitors and Cleaners, Except Maids and Housekeeping Cleaners	1150	Less than high school
Food Preparation Workers	1040	Less than high school
Receptionists and Information Clerks	1000	High school diploma or equivalent
Packers and Packagers, Hand	970	Less than high school
Hosts and Hostesses, Restaurant, Lounge, and Coffee Shop	960	Less than high school
Counter Attendants, Cafeteria, Food Concession, and Coffee Shop	920	Less than high school
Personal Care Aides	910	Less than high school